GOVERNMENT OF ANDHRA PRADESH
ABSTRACT

AHDD&F Department – Auctioning of Fishery Wealth in the Public Water Bodies which are 100 Ha and above in the State of Andhra Pradesh – Operational Guidelines - Orders – Issued.

ANIMAL HUSBANDRY, DAIRY DEVELOPMENT & FISHERIES (FISH) DEPARTMENT

G.O.Rt.No.217 Dated:18.08.2021.

Read the following:

1. e-office fie No.1422397 received from the water Resources Department
2. From the Commissioner of Fisheries, A.P. Vijayawada, Lr.No.1602/C/2020, dated:28.07.2021.

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ORDER:

In the references read above, the Water Department and Commissioner of Fisheries have proposed the operational guidelines for auctioning of Fishery Wealth in the Public Water Bodies which are 100 ha and above in the State of Andhra Pradesh with the following objectives:

i. Development of fishery wealth in the selected public water bodies at optimum level and realization of more revenue to the Government
ii. Improve the income generation and livelihood of the genuine Fishermen Cooperative Societies which are in the operational area of the selected public water bodies.

2. Government after careful examination of the matter, hereby approved the Operational Guidelines (appended as annexure to this order) 'for auctioning the fishery wealth in the public water bodies which are 100 hectare and above in the State of Andhra Pradesh' with the following Revenue Sharing Mechanism:

1.	Members of Primary Fishermen Cooperative Societies (PFCS) concerned	30% of the auction amount (or) Rs.15,000/- per member per annum whichever is less.
2.	Gram Panchayat	10%
3.	Fisheries Department (AFCOF)	20%
4.	Water Resource Department	40%

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADEH)

Dr. POONAM MALAKODAIAH
SPECIAL CHIEF SECRETARY TO GOVERNMENT (FAC)

To
The Commissioner of Fisheries, Bandar Road, A.P. Vijayawada.
The Engineer in Chief (Irrigation), Water Resource Department, AP, Vijayawada.
Copy to:
The OSD to Minister (AHDD&F).
The OSD to Minister (Water Resource)
The P.S to Spl. C.S. to Government, AH,DD& F Department (FAC).
The P.S. to Secretary to Government Water Resource Department.
The Finance Department.
All the District Collectors.
SF/SC.

//FORWARDED:BY::ORDER//

SECTION OFFICER.

Annexure to G.O.Rt.No.217, AH,DD&F(Fish) Department, Dated:18.08.2021.

OPERATIONAL GUIDELINES FOR OPEN AUCTION OF FISHERIES

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I. BACKGROUND:

Introduction:

1. Andhra Pradesh state is blessed with potential and diversified water resources with 974 kms of coastline, 33,227 kms of continental shelf area, 555 marine fishermen villages, 2 Fishing Harbours, 350 Fish landing Centers, 31,147 fishing crafts, 65 cold storages, 64 processing plants, 235 Ice plants, 28 feed mills, 357 hatcheries and 234 Aqualabs.
2. There is a potential of 1.74 lakh hectares of brackish water area and about 8 lakh hectares of freshwater resources.
3. Following are the focus areas for development under fisheries sector:
    - Inland Fisheries Sector (in Rivers/Reservoirs)
    - Marine Fisheries sector (Sea)
    - Aquaculture (Tanks – Govt./Private)
4. Inland Water sources comprise of irrigation tanks, reservoirs, lakes, irrigation canals, swamps, estuaries, back waters, breeder ponds, river courses and drains.
5. The Government of Andhra Pradesh has issued guidelines vide G.O Ms.No.776, Food & Agri (Fish-II), Department, Dt:31.12.1990 for disposal of fishery wealth in public water bodies through lease/public auction by giving first preference to the genuine fishermen cooperative societies. In case of absence of genuine fishermen cooperative societies or in case of unwillingness of fishermen cooperative societies to take up exploitation at the rentals fixed, next preference shall be given to Gram Panchayati/ Municipality followed by public auction and department exploitation.
6. During the year 1999, a model calculation was given for arriving at the annual lease amount based on the value of fish production or by enhancing 10% over the previous year's lease amount, whichever is higher. Subsequently, lease amounts are being fixed by enhancing 10% of previous lease value instead of fish production value. Accordingly, orders were issued vide G.O.Rt.No.282, AH, DD &F (Fish) Department, Dt.20.11.2019 for disposal of fishery wealth to PFCSs for (3) Fasali years 1428, 1429 & 1430 i.e., up to 30.06.2022 by enhancing 10% over of the previous year's lease amount.

Issues Faced:

1. Traditional fishing rights and operation of fisheries are not providing the expected benefits to Water Resources Department, Fisheries Department and to Fishermen Co-operative Societies (FCSs). The leasing rights charges for the tanks are very nominal, whereas the benefits from fish export is massive. There is a huge revenue potential to the state government.
2. No maintenance of revolving funds for inputs, management costs etc. leading to borrowing of external loans for purchasing inputs. Hence, regular fish seed stocking is not done by the FCSs and approaching the Government for implementation of seed stocking program.
3. Under exploitation of fish production potential due to lack of proper development mechanism i.e., timely stocking of suitable species of fish/prawn seed in required quantities.
4. FCSs making loss due to negligible benefits shared to the FCSs members (based on the audit reports of the respective FCS).

Pilot Project Proposed:

1. A meeting was conducted on 13th May, 2020 between Water Resources Department and Department of Animal Husbandry, Dairy Development and Fisheries to discuss revenue potential from fisheries through open fishing. It was decided to conduct a pilot study in SPSR Nellore District for identification of feasibility and understanding the complexities in implementation.

2. A baseline survey has been conducted on identified 27 MI Tanks in SPSR Nellore District. The survey has been jointly held by Water Resources Department and Fisheries Department.

3. It is proposed to lease tanks (water bodies) and the lease rates are calculated based on the expected production and conduct auction. Also, the revenue generated through the auction shall be shared among Water Resources Department, Fisheries Department and Fishermen Co-operative Societies and local Gram Panchayats.

4. Follow up meeting was held on 22nd March, 2021 among all stakeholders. Revenue sharing mechanism was agreed between the stakeholders which include Water Resources Department, Fishermen Co-operative Societies, Fisheries Department and Local Gram Panchayats for sharing the revenue generated from leasing tanks for fishing rights.

5. Also, various issues regarding price discovery, leasing of tanks, T&C of leasing, revenue sharing mechanism etc. were discussed.

Conclusion of the meetings:

Based on the above background and series of meetings conducted on this subject between the stakeholders, it has been decided to develop guidelines / standard operating procedure for leasing of fishing tanks across the state of Andhra Pradesh.

These guidelines shall be implemented as a pilot on the 27 tanks in Nellore. The guidelines shall be reviewed once the pilot is successfully implemented. Based on the observations, necessary revision in the guidelines shall be incorporated on the potential improvement areas. After concurrence between the stakeholders involved, these guidelines shall be put across for required clearances from multiple authorities for implementation. After the necessary approvals are obtained, these guidelines shall be implemented across the State.

II. PROPOSED APPROACH:

a. Yield and Revenue Estimation Committee (YREC) at the District Level:

1. Four-member District level committee to be formed in each District.

   a. Joint Collector, RB&R – Chairman,
   b. The District Fisheries Officer,
   c. S.E., Medium & Minor Irrigation – Convenor
   d. Revenue Divisional Officer(s) (RDOs) of the area in which the tanks are located.
   e. AFCOF shall nominate one member from Fishermen Cooperative society at the District level

2. The responsibilities of the committee (for respective Districts) shall be

   a. Identify the tanks viable for auction. This shall be based on the baseline survey done by the Water Resources Department and Fisheries Department, to identify tanks fit for fishing and tanks which are above 100 ha of EWSA.

   b. To calculate yield estimate - The committee shall provide an estimate of production based on the optimum production and productivity levels of tanks considering various other factors but not limited to the type of water, soil, seasonality and other local ground / site conditions.

   c. To establish price estimate at District level - The expected gross income generated from the tanks shall also be finalized based on various factors such as production levels, type & quality of fish, market demand (national/international) and other technical/economic considerations as deemed applicable).

   d. Proper due diligence shall be carried out which includes, in depth analysis of historical production data achieved from the tanks, taking advice from subject matter experts shall be carried out during estimate finalization. This estimate shall be approved by the committee and it shall be the governing factor in deciding the benchmark price for tanks.

   e. Submit the List of tanks which are proposed for auction, including the yield and revenue estimates to the District Collector & Joint Collector (RB&R).

   f. This committee shall also act as the auction committee.

b. Recommendation by District Collector

3. The District Collector receives the proposal submitted by the YREC and he recommends the proposal to State Level Committee

c. State Level Committee

4. A three-member State Level Committee with Secretary, Water Resource Department, Engineer in Chief, Water Resource Department and Fisheries Commissioner shall be reviewing the proposal submitted by District Joint Collector.

5. This team shall be responsible for approval of the tanks, the yield and revenue estimates and give go ahead with E-Auction.

d. District Level Auction Committee

1. YREC will conduct the auction and act as the auction committee.
2. SE, Major & Medium, Water Resource Department shall act as the coordinator.
3. Once the Auction committee evaluate and approves the tender documents, SE, Water Resource Department shall enter into the agreement with the shortlisted agency.

Functions of Auction Committee (YREC):

Tender notice to be published at least 10 days before the auction date. Notification to be published in at least 2 local newspapers.

Detailed tender documents shall be prepared and to be uploaded in the e-procurement portal. All necessary documents prescribed in the tender document shall be evaluated by the committee.

Committee shall conduct the auction on date mentioned in tender document and complete necessary evaluation to declare the successful bidder.

e. Upset Price/Benchmark Price: The above process shall be carried out scientifically through which a benchmark price shall be ascertained which shall be 25% of the expected gross income/production value in the tank. Based on the field exigencies, committee may increase the bench-mark price, if it may deem ft with proper justification.

f. Notification to Public: For transparency and better participation, the Department of Water Resources shall issue notification in local newspaper and also inform Panchayati and Mandal Revenue Offices notifying the date of auction and benchmark price fixed for the tanks proposed for auction. The notification shall be issued 10 days prior to the proposed date of auction

g. Auction: The auction for leasing tanks shall be through process of EAuction. The EAuction shall be conducted as per the guidelines and process flow laid out in the GO.Ms.No.16, IT E&C Department dated: 27.09.2018, a forward auction shall be conducted.

Interested bidders shall register on the e-auction portal and pay requisite fee mentioned in the website for participation.

The bidders shall be allowed to submit their final price offer on the e-auction portal on the date of auction.

The Auction committee shall evaluate the tenders. After evaluation of price offers submitted by the bidders, the Auction committee, who conducted the auction shall announce the award to bidder offering the highest price(H1)

Necessary modifications to E-Auction portal for conducting E-Auction to be made based on the requirement.

No bid less than the upset price shall be accepted.

h. Award of lease to Successful Bidders: The successful bidder shall immediately enter into an agreement with Water Resources Department as per the terms and conditions outlined in the lease agreement.

III. TERMS & CONDITIONS:

Lease period:

a. The lease period shall be for 3 years and shall be commenced from the date of agreement. After completion of the 3 year lease period; the Department shall conduct public auction based on the production and productivity of the tanks for the last 3 years.

b. The power to take decision on termination of lease agreement shall be vested with the YREC (District Level Committee) based on the field exigencies and proper justification.

Lease Payment:

a. The lessee shall deposit 25% of the annual lease amount at the time of signing of contract ("the effective date") and the balance amount shall be deposited within 90 days from the effective date of contract.

b. The lessee shall deposit 10% of the lease amount for one year as security deposit along with the lease amount. The security deposit shall be refunded after the completion of lease period (3 years) duly deducting dues or penalty, if any imposed by the District Fisheries Officer as a result of failure to comply with any of the terms and conditions of lease.

c. If the lessee fails to pay the balance lease amount (75% of the annual lease amount) within the stipulated period (90 days from effective date of contract), the entire money along with the security deposit shall be forfeited and the lease agreement shall deemed to be canceled and the same tenderer/bidder shall be debarred from participating in auction/submitting tender for a period of 2 years thereon. However, the District Fisheries Officer, can obtain the approval of the District Level Auction Committee and can extend the period up to 30 days (maximum of 120 days from effective date of contract), if committee is satisfied on the reasons for delay subject to the payment of interest rate of 18% on the remaining amount (for a period of 30 days).

d. Payment of lease amount from 2nd year period of lease onwards: - The lessee shall deposit the 25% of the lease amount of subsequent year along with security amount before the second/third year start date (365 days to the effective/second year start date) and rest of the amount within 90 days, failing which the deposited amount along with security money shall be forfeited and the tendered/bidder shall be debarred from entering into fishing contract for a period of 2 years. Provided that in case the lessee fails to deposit 25% lease amount in the prescribed period i.e. before second year start date, the District Fisheries Officer, after obtaining the approval of the District Level Committee, can extend the period upto 30 days, if he is satisfied on the reasons for delay subject to the payment of interest at the rate of 18% on the remaining amount (for a period of 30 days).

e. The leasing period shall be fasli year i.e., from running year July to the next year June. The lease shall be enhanced by 10% every year on the lease amount of previous fasli year.

f. Non-payment of lease amount for any year during the lease period by the lessee; the lease agreement shall be ceased without prior notice to the lessee (defaulter) and the Department of Fisheries shall take further action for exploitation of fishery wealth. In such cases, the defaulter shall not have any rights vested with the fishery wealth in the tank at any costs.

Instructions to Lessee:

a. The lessee shall be deemed to have visited the tanks and its surroundings and shall have satisfied himself with all existing conditions and the tender inviting authority shall not bear any responsibility on thereof.

b. In case of natural calamities such as famines and floods affecting production of fish, physical damages to tanks the complete responsibility lies with the lessee and any claims on this regard shall not be approved. No extra payments shall be made for such damages & decreased production and lessee has to take all necessary precautions to safeguard the tanks. The lessee shall also arrange his own insurance against floods, fire and other usual risks during lease period.

c. The lessee shall understand that the Department of Fisheries is leasing the tanks for disposal of fishery wealth and lessee doesn't have any rights on the tank. The lessee shall not damage/ obstruct the other allied activities viz., Irrigation/Agriculture/Animal Husbandry or any domestic purpose.

d. The lessee shall inform the Department during the seed stocking in the tank and the Department of Fisheries may provide fish seed from the Government Fish Seed Farms on payment basis or the lessee may procure the fish seed from private hatcheries/seed farms with healthy status and free from any diseases.

e. The lessee shall stock the freshwater fish/prawn which are native species or as approved by Department of Fisheries and shall not stock any exotic species or any banned species notified by the Government from time to time.

f. For better realization of fish seed; the lessee may provide pens in the tanks without stopping/disturbing the movement of water at inlet and outlet for other agriculture/ husbandry and domestic purpose.

g. The lessee may stock the juvenile prawn (Macrobrachium sps) in the tanks for additional production in the tanks.

h. Any type of supplementary feed in the tank for rearing/ culture purpose in prohibited and the stocked fish/ prawn shall depend on the natural feed only.

i. Any type of chemicals/ pesticides shall be prohibited to apply in the tank by the lessee and any of his companions and in such case; the lease shall be ceased therein without prior notice to the lessee.

j. The lessee shall harvest the fish in presence of the Department of Fisheries and local society. The Department of Fisheries shall record and report the productivity and production in the tank to the Head Office.

k. The Fishermen Cooperative Societies shall be given priority for engaging any labour for harvesting and operations and maintenance.

l. The lessee shall not have any rights to drain the water and shall not use engines or crives at sluices for the purpose of capturing fish etc.

m. The lessee shall understand that the Department of Fisheries or any other Department will not ensure/ guarantee the water retention in the tank at any time. The lessee shall ensure him/herself on the water retention in the tank.

n. The lessee during the lease period shall not resort to damage any of the property/ structures erected by the Government in and around connected to the said tank.

o. Any construction within the area will not be permissible and any minor constructions are allowable with prior permission of the competent authority.

p. The lessee shall not use any destructive gears for exploiting the fishery wealth.

q. The lessee shall conduct periodic test of water (monthly/quarterly) and submit to the Department. If there is any impact in the quality of water, then the agreement shall be cancelled thereon. Failure to submit the reports shall also be considered as default.

r. The lessee shall give preference to the members of the local Fishermen Cooperative Society while engaging labour for harvesting fish. They shall be paid as per the norms.

Revenue sharing Mechanism:

a. "All the tanks which are 100 ha and above will be auctioned by the Water Resource Department duly fixing a minimum reserve price of Rs.25,000/- per hectare per annum. If there is no response even after three attempts of open auction with adequate time and publicity, a committee consisting of Joint Collector, the District Fisheries Officer and SE, Medium and Minor Irrigation shall fix the appropriate the reserve price/upset price considering the ground realities. In future auction, the actual price discovered through open tenders will form the minimum reserve price/upset price.

b. The lease paid by the lessee shall be apportioned to the Department of Fisheries (AFCOF), Water Resources Department, Gram Panchayat and Genuine Fishermen Cooperative Society having the tank in their operational area.

The apportionment of revenue shall be as shown below:

1	Members of Primary Fishermen Cooperative Societies (PFCS) concerned	30% of the auction amount (or) Rs.15,000/- per member per annum whichever is less.
2	Gram Panchayat	10%
3	Fisheries Department (AFCOF)	20%
4	Water Resource Department	40%

c. The lease amount portion for the FCS shall be paid as dividends to the members of the society.

a. The lease amount portion of the Department of Fisheries (AFCOF) shall be remitted to the respective account of AFCOF by SPV/Water Resources Department.

b. The lease amount portion of the Department of Fisheries (AFCOF) shall be remitted to the respective account of AFCOF by SPV/Water Resources Department.

c. The lease amount portion of the Water Resource Department shall be remitted to the bank account of APWRDC/SPVs.

The roles and responsibilities of the stakeholders are mentioned as shown below:

1. Water Resource Department:

The Water Resources Department is responsible for the operation and maintenance of the water body.

2. Fisheries Department (AP State Fishermen Cooperative Federation):

a. AFCOF is responsible for the welfare of the concerned fishermen cooperative societies.
b. Coordination for successful implementation of the scheme.
c. Responsible for the independent periodic Water quality monitoring of the water bodies.
d. Responsible for providing good quality seeds.
e. The AFCOF shall assure the release of share/dividends to the genuine members of the fishermen cooperative societies.
f. The AFCOF shall encourage the PFCS to strictly maintain the book keeping and the cash flow properly.

3. Gram Panchayats:

· Take up minor repairs and development works as per the request of Water Resources Department.

Dr.POONAM MALAKODAIAH
SPECIAL CHIEF SECRETARY TO GOVERNMENT (FAC)